

Davis Graham & Stubbs LLP

June XX, 2013

Andrew J. Lensink Esq. U.S. EPA Region 8 1595 Wynkoop St. Denver, CO 80202-1129

Re: 2014 Funding for USGS Surface Water Monitoring

Dear Andy:

As discussed among our client representatives, Atlantic Richfield Company (AR) has offered to fund fiscal year 2014 USGS costs for implementing monitoring of Clark Fork River Tributaries in the Anaconda Area of the Upper Clark Fork Basin (UCFRB). A copy of the EPA-approved Scope of Work – FY 2014 which describes the monitoring and other tasks is attached to this letter and incorporated herein by reference. As set forth in Table 4 to the Scope of Work, Atlantic Richfield will provide funding in the amount of \$458,500 for the FY 2014 activities, as described in this letter.

EPA has established and maintains a site specific special account which will be used for the purpose of receiving, managing and disbursing the funds provided by AR for USGS' implementation of the approved Scope of Work – FY 2014. The total amount to be paid by AR will be deposited in the Anaconda Special Account within the EPA Hazardous Substance Superfund to be retained and used to conduct or finance response actions at or in connection with the Site, as more specifically described below, or to be transferred by EPA to the Hazardous Substance Superfund. The AR payment in the amount of \$458,500 to the special account will be made by Electronic Fund Transfer by AR on or before June ____, 2013. AR will make the payment to the financial institution and EPA account identified below:

Wire transfers:

Federal Reserve Bank of New York ABA = 021030004 TREAS NYC/TR/ BNF = 68010727

On line payments:

www.pay.gov Enter sfo 1.1 in the search field Open form and complete required fields

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To ensure that AR's payment is properly recorded by EPA, the following information will be included with the wire transfer or online payment:

Site Name: Anaconda Smelter

Site #: 8-18

Type of Billing: FFY 2014 USGS Funding

To inform EPA and ensure that the receipt of said funds is properly accounted for in EPA's cost recovery records, AR will provide written notice that the funds transfer has occurred and payment made to: David Sturn, Cost Recovery Coordinator, U.S. EPA, Region 8, Montana Office, Federal Building, 10 West 15th Street, Suite 3200, Helena Montana 59626, (406) 457-5027, sturn.david@epa.gov.

EPA will provide 100% of the AR payment to the USGS through a new or amendment to an existing Inter-Agency Agreement established for funding monitoring costs at the Anaconda Smelter NPL Site, and agrees that the funds transferred by AR will be utilized to support the activities described in the Scope of Work – FY 2014. EPA will direct the USGS to simultaneously share copies of monitoring reports and other documents generated in the course of implementing the Scope of Work FY 2014 with EPA, the Montana Department of Environmental Quality and AR.

Please contact me at your earliest convenience if this letter does not accurately reflect our understanding in support of AR's funding of the USGS' Scope of Work – FY 2014.

William J. Duffy
for
DAVIS GRAHAM & STUBBS LLP

cc: Charles Coleman
Joe Vranka
Julie DalSoglio
Joel Chavez
Larry Scusa
Roy Thun
Deb Tesdal
Don Booth
Jill Kelley